

INTERIM IRM PROCEDURAL UPDATE

DATE: 03/14/2012

NUMBER: WI-21-0112-0285

SUBJECT: Fresh Start Phase II Initiative

AFFECTED IRM(s)/SUBSECTION(s): 21.3.12

CHANGE(s):

IRM 21.3.12.4.3 - added new IA criteria throughout subsection.

8. **Streamlined Installment Agreement (SIA)** is considered when the aggregate unpaid balance of assessment (CC SUMRY) is \$25,000 or less, can be paid in full within 72 months and the CSED is protected. Ensure the CSED is protected by using CC ICOMP or Decision IA. If using CC ICOMP, first use the oldest CSED (not necessarily the oldest module) then recalculate, adding each balance due year into the ICOMP calculation separately. No financial statement is required. The type of taxpayers that qualify for a SIA is IMF, Out of Business and BMF income ONLY (Form 1120) see, IRM 5.19.1.5.5.3, *IMF/BMF Related Accounts*, for additional information. The payment amount does not need to be the same throughout the 72 months; it can be an agreement with increasing payments provided the aggregate unpaid balance of assessment (CC SUMRY) is full paid within 72 months. Taxpayer can make installment agreement request by phone contact, correspondence, or Form 9465 (for balances of \$25,000 or less), or Form 9465-FS (for balances of \$25,001 - \$50,000). Both the Form 9465 and 9465-FS can be attached to a balance due return or loose. DDIA request are to be faxed within 24 hours to CSCO, see IRM 21.3.12.4.3.1, *Proposal Meets Guaranteed or Streamlined Installment Agreement Criteria*. However, if the taxpayer offers to make a voluntary lump sum payment (VLSP) to reduce the balance due to meet SIA criteria; use CC ICOMP, IA Decision or IAT Tool to give accurate lump sum amount necessary. When inputting IAGRE the first payment amount will correspond with the lump sum then second payment will be the agreement amount.
9. In January 2012, all NSIA and PPS employees are authorized to establish Streamlined IAs between \$25,001 and \$50,000 when the taxpayer meets the following criteria:
 - a. IMF and Out of Business Sole Proprietor taxpayers **only**.
 - b. The aggregate unpaid balance (CC SUMRY combined module balance) is between \$25,001 - \$50,000.
 - c. The aggregate assessed balance (CC SUMRY) will be full paid within 72 months.
 - d. The full liability (including penalties and interest) will be full paid within the CSED(s).

- e. A DDIA is a required condition for avoiding the filing of a Federal Tax Lien.
- 10. For assistors working any streamline applications, for taxpayers who owe more than \$25,000, once it has been determined the taxpayer can not full pay or make a lump sum payment to qualify for an under \$25,000 streamline agreement, transfer the call to NSIA.
- 11. For assistors working NSIA or PPS, refer to IRM 5.19.1.5.5.24.

IRM 21.3.12.4.3.1 - added new IA criteria throughout subsection.

- 5. If taxpayer does not have the form or is unable to fax necessary documentation and information:
 - a. Inform taxpayer they can download form from WWW.IRS.GOV and upon completion of the form, call back and fax the form to the assistor while on the call.. If taxpayer cannot download form, send Letter 2273C, include Form 433-D, with CSCO DDIA Campus return (Andover, Atlanta, or Kansas City for W&I; Brookhaven, Memphis, Ogden and Philadelphia for SB/SE) address based on taxpayers location and BOD code. See Collection Payments/Addresses/Issues for the Campus address under the "Who/Where" tab on SERP to provide the address for the CSCO campus with jurisdiction for both the return and payment address.
 - b. Establish as a regular IA and tell the customer to make his payments manually.
 - c. Input CC IAGRE to place account in status 60.
 - d. Explain taxpayer must make payments until taxpayer receives confirmation letter from CSCO. See IRM 21.3.12.1(7), *Overview*, for check annotation.
 - e. Tell the customer he will be billed for the \$105 User Fee and CSCO will revise installment agreement to a DDIA upon receipt of the request. CSCO will credit \$53 back to tax for DDIA fee.
 - f. Advise the caller the DDIA will take effect within 30 days of the receipt of the Form 433-D.
 - g. Advise the caller a letter will be sent confirming the conversion of the regular IA to a DDIA.
- 6. If taxpayer wants a DDIA but the tax return has not posted to IDRS, the taxpayer is not currently in an IA and can not full pay the balance due within 120 days, ask the taxpayer what the expected balance owed will be. If the amount owed falls within streamline criteria, advise the caller to attach Form 9465 and Form 433-D to the front of the return. If the amount owed does not meet streamline criteria:
 - o If the balance is between \$25,001 and \$50,000, have the taxpayer send in Form 9465-FS and Form 433-D.
 - o If the balance is over \$50,000, have the taxpayer send in Form 9465, Form 433-D and Form 433-F.

10. If the taxpayer contacts regarding an Installment Agreement on a current year return only, and no other balance due accounts, not yet mailed or previously mailed but not received by the IRS, take the following actions:

IF	THEN
the taxpayer has not mailed the return and the balance is \$25,000 or less	Advise them to attach Form 9465, <i>Installment Agreement Request</i> , if available, or correspondence to the front of their tax return requesting the installment agreement and payment amount.
the taxpayer has not mailed the return and the balance is between \$25,001 and \$50,000	Advise them to attach Form 9465-FS, if available, or attach correspondence to the front of their tax return requesting an installment agreement and payment amount.
the taxpayer already mailed the return and the agreement meets streamlined criteria	Establish the installment agreement using command code IAGRE which defaults to IAPND.
the taxpayer already mailed the return and the agreement does not meet streamlined criteria	Ask the taxpayer to contact us when they receive the first notice from the IRS. Advise the taxpayer to have financial information available when the contact is made.
the taxpayer is a first-time filer	You cannot set up the IA with CC IAPND; ask the taxpayer to contact us when they receive the first notice from the IRS.

IRM 21.3.12.5.7 - changed 60 months to 72 in (3).

3. The Service may withdraw a notice of federal tax lien if the appropriate official determines that the following conditions are met for DDIA provision:

NOTE: The following types of taxpayers qualify for withdrawal of the NFTL under this DDIA provision: Individual Master File (IMF), Business Master File (BMF income tax only) or BMF out of business (any type of tax).

- a. Aggregate unpaid balance of assessments is \$25,000 or less.
- b. The aggregate unpaid balance of assessments will be fully paid in 60 months, or the agreement will be fully paid prior to the CSED, whichever comes first (Use IDRS CC ICOMP);
- c. If pre-assessed taxes are included, the pre-assessed liability plus unpaid balance of assessments must be \$25,000 or less;

NOTE: The unpaid balance of assessments includes tax, assessed penalty and interest, and all other assessments on the tax modules. It does not include accrued penalty and interest

- d. The taxpayer is in compliance with other filing and payment requirements
- e. ##
- f. The taxpayer did not previously have a withdrawal of lien for any of the liabilities included in the DDIA (e.g., TC 583 disposal code = 03 on module) see IRM 21.3.12.4.3.1, *Proposal Meets Guaranteed or Streamlined installment Agreement Criteria* for additional details
- g. If taxpayer agrees to terms of DDIA and revision of agreement is necessary follow IRM 21.3.12.3.7, *Taxpayer Requests Revision to or Reinstatement of a Direct Debit Installment Agreement (DDIA)*, CSCO will update and then take necessary action for lien determination.